



Funding Policies for Grant Awards: Information for Applicants & Grantees

This document is intended to provide applicants and grantees with guidance on the general funding policies used by the Virginia Tobacco Commission for consideration of new applications for funding and in administration of grant awards. It references several of the Commission's policies and grant management guidelines that can be found in the following documents on the Commission's website (www.tic.virginia.gov) on the Current Grantees web page. Collectively, these documents form the legal basis for the award and use of your grant funds. Please thoroughly review all relevant documents.

- The Commission's Strategic Plan
- Guidelines for the specific grant program
- Approved grant application and signed Grant Agreement
- Grant Disbursement Guidelines (Effective July 1, 2002.)
- Grant Guidelines for Advance of Funds (Effective June 5, 2002)

If you have questions about any aspect of the content herein please contact the regional *Grants Program Administrator* who serves your locality (see Page 8).

CONTENTS

<i>Pre-Approval Policies</i>	<u>Page #</u>
I. Commission Priorities for Consideration of Grant Awards	3
II. Eligible Applicants	3
III. Requirements for Applicants	4
IV. General Non-Eligible Uses of Funds	5
 <i>Post-Approval Policies</i>	
V. Post Approval Steps and General Grant Management	6
VI. Reimbursement of Expenses	7
VII. Acceptable Expense Documentation	8
VIII. Specific Type of Expenses Not Eligible for Reimbursement	9
IX. Matching Funds	12
X. Advances	13
XI. Changes to Project Scope or Budget	14
XII. Grant Period and Extension Requests	15
XIII. Asset Ownership and Tracking	16
XIV. Outcome Reporting	16
XV. Records Retention	17

PRE-APPROVAL POLICIES

I. Commission Priorities for Consideration of Grant Awards

Priority is given to projects with the following characteristics:

- align with the Commission’s Strategic Plan, program objectives and outcomes.
- are regional in their implementation and impacts (i.e. governance, direct financial participation or service area).
- the appropriate partner organizations have direct involvement and capacity to successfully implement the project
- meet or exceed required matching funds and thereby leverage significant other financing.
- demonstrate that all financing necessary to complete the project is committed and available.
- can be replicated throughout the Commission service area.

Pre-Application – Prospective applicants are encouraged to use the Commission’s Pre-Application, which is available in the Grant Funding Information section of our website, to submit basic project concepts to Commission Grants Staff for feedback on the appropriate Commission program, timing of funding cycles, available funds, matching fund requirements and other application issues. The Pre-Application is an optional, non-binding means of communicating your project concept to TICR Staff for feedback and guidance prior to submitting a full application.

II. Eligible Applicants

Applications for grant funds will only be accepted from public or incorporated non-profit private organizations located in and/or providing economic revitalization programs, services, or facilities in the tobacco region. Eligible applicants including the following:

- Government Entities - Government entities within the tobacco region or their duly constituted political subdivisions. This includes the governing body of any city, county or town (“locality”); governing body of a local or regional industrial or economic development authority; regional authority, and other governmental unit.
- Non-Profit Organizations - Incorporated non-profit organizations designated as tax-exempt by the federal Internal Revenue Service, such as 501(c)(3) entities.
- Educational Institutions - Public or private non-profit institutions of higher education, and other education or training institutions constituted and located in Virginia; or entities not constituted in Virginia but with significant, enduring investments and service delivery in the tobacco region.

For guidelines and instructions on grant applications submitted by ***Regional Partnerships*** and for those benefiting ***For-Profit Entities***, refer to Section IV. Requirements for Applicants.

III. Requirements for Applicants

- ***Procedural*** - Applications must be submitted in accordance with guidelines and deadlines established by the Commission. Proposals will be reviewed by designated program staff, presented to the Committee responsible for funding recommendations for that program, and to the full Commission for a final funding decision.

Applications that are received outside of announced funding cycles will be heard only at the discretion of the Committee Chair, and contingent upon available funding.

- ***Sustainability*** - Applicants should clearly describe the operational sustainability of the activity for which Commission financing is being requested.
- ***Return on Investment (ROI)*** - Applicants are expected to describe and be prepared to measure the anticipated ROI (e.g. private sector capital investment, employment and wage outcomes, tax benefits) in relation to proposed Commission investments.
- ***Utility Infrastructure*** – Requests for utility infrastructure funding should only be submitted to serve clearly-defined economic development objectives and sites. Applicants for utility infrastructure improvements are required at point of application to demonstrate that financing is not available from non-TICRC sources; and to provide a multi-year cash flow analysis for projected increased revenue resulting from the proposed project. This applies to all water and sewer construction projects and other public or private utility infrastructure.
- ***Regional Partnerships*** - Regional partnerships are considered to be projects that will impact several localities, and have active participation of several localities and/or entities representing multiple localities. The Commission will determine if an application from one entity serving multiple localities is considered a regional partnership that meets the program objectives. Applications from regional partnerships require the following additional information:
 - A partnership agreement signed by each entity participating in the project.
 - A description of the methodology by which the funds will be allocated among participating localities.
 - An indication of which entity will be responsible for project administration and reporting requirements.
 - If not participating directly in the partnership, a letter, notifying the chief administrative office of each locality, about the proposed design and anticipated impacts of the project.
- ***Use of Funds by For-Profit Entities*** – Applications that will benefit a private entity must have a public purpose and be made by one of the eligible applicants identified in the previous section. The following must be described in the application:
 - The public purpose that will be met by assisting the private beneficiary.
 - Terms of the agreement that will be executed between the governmental unit or nonprofit administrator and the for-profit entity regarding use of funds, ownership of grant-funded assets, and the private entity's commitment to create and report documented public benefits such as new jobs or taxable private capital investment within three years.
 - The amount of wages and salaries to be paid to employees of the Beneficiary.

Funds may be required to be provided in the form of a loan from the governmental unit or nonprofit administrator to the for-profit entity.

- ***Budget Development and Required Matching Funds*** – Applicants should refer to Section IV. General Non-Eligible Uses of Funds and Section VIII. Specific Type of Expenses Not Eligible for Reimbursement when developing detailed budgets for funding requests.

All Commission grants require matching funds. In calculating and presenting required matching funds an application, applicants should refer to Section IX. Matching Funds to determine the minimum required amount of matching funds and what project expenses are considered as eligible match. Schedules permitting, the Commission's Grants Staff will be available to review a draft application and budget when provided in advance of announced grant application deadlines.

IV. General Non-Eligible Uses of Funds

The following list illustrates uses of Commission funds that generally do not align with Commission objectives and should be avoided in grant proposals and requests for grant disbursement. Additional detail about specific non-eligible uses of funds is available in Section VIII of this document.

- Commission funds should not be used outside the defined tobacco region (unless explicitly approved by the Commission).
- Commission funds should not be used to supplant other state or federal funds for which an applicant is eligible. This includes financing options for off-site utility improvements.
- Commission funds should not be used for regularly recurring local responsibilities (e.g. comprehensive plans, K-12 school funding).
- Commission funds should not be used to finance endowments.
- Commission funds should not be used for debt retirement.
- Commission funds should not be used for on-going operation costs beyond a start-up period that has been explicitly approved by the Commission.
- Commission funds should be invested in projects that generate substantial direct and measurable new economic activity in a region. Commission funds should not be used for projects that indirectly affect economic revitalization (e.g. community centers, childcare centers, 4H centers, YMCA or recreational initiatives, airports, local arts and cultural activities, historic preservation, housing and retail development) unless it is demonstrated that the investment will produce significant economic impacts from outside the Commission service area.
- Commission funds should not be used for project administration, indirect project costs or for activities initiated prior to grant approval.
- Commission funds should not be used to acquire or make improvements to privately owned property or to acquire or improve equipment for/in private ownership unless there are defined and documented public purposes met, to include creation of new jobs and new taxable private capital investment, and such expenditures have been explicitly approved by the Commission. (Refer to the Performance Agreement available on the Commission's webpage for the Tobacco Regional Opportunity Fund Program (TROF Program) and to the ***Use of Funds by For-Profit Entities*** paragraph under Section IV. Requirements for Applicants and for additional information).

POST-APPROVAL POLICIES

V. Post Approval Steps and General Grant Management

Award Paperwork - After the Commission has approved your grant award, staff in our Richmond office will provide an “award packet”. This packet includes this funding policies document and the following which must be completed and returned before any grant funds can be released:

- ✓ Grant Agreement, which lists terms and conditions for the grant;
- ✓ Grantee Authorization Form, which designates the individual(s) authorized to request release of grant funds. Should the grantee authorization designations change during throughout the grant, the grantee must submit a revised authorization form;
- ✓ Federal Form W-9 (Request for Taxpayer Identification Number and Certification)

Revised Project Budgets -- If your award was for less than the requested amount or if there were changes to the project budget during the review and approval process:

- ✓ A revised Budget Worksheet and a supporting line item detailed budget that reflects the award amount and any specific project activities for which Commission funds are awarded must be submitted. Staff will review the revised budget documents to ensure that they are consistent with the approval granted by the Commission.

The completed award packet paperwork should be sent to the attention of:

Suzette Patterson
Grants Office Manager
Virginia Tobacco Commission
701 East Franklin St, Suite 501
Richmond VA, 23219

- ***Detailed Budget*** -- At any point Commission staff at their discretion may request a more detailed budget for approval prior to disbursement of grant funds in order to verify that project expenses are consistent with intent of award and all funding policies. The detailed budget should include the specific use of TICRC funds by line item. For example, under Personal Services there should be a line item detail including employee name, title, time period, and associated pay and/or basis of dollar amount included for each position. Under the Equipment line item grantees should provide a list of all major equipment items to be purchased and the cost of each. Contractual Services should identify each sub-contract intended to be awarded and for what purpose.
- ***Press Releases or Announcements*** – As a condition of the award, the Commission requires its participation in all press conferences or announcements of this grant or the associated project. Please use the Commission’s info@tic.virginia.gov e-mail address in the Richmond office to contact Staff to coordinate a press announcement, or call toll free 877-807-1086.
- ***Procurement and Bidding*** – Competitive bidding, public notice, negotiation and other principles of open competition are always encouraged in order to ensure proper use of public funds. As indicated in the Grant Agreement, the Commission expects all grantees, whether public or private non-profit entities, to abide by all laws of the Commonwealth to which the grantee is subject, including the Virginia Public Procurement Act (Virginia Code Section 2.2-4300 *et seq.*, as amended).

- **Grant Reports** - A grant report must be submitted annually, on the anniversary of the date of grant approval, and at the conclusion of the project, on the Commission's Grant Reporting Form. The final 10% of grant funds may be withheld until receipt of the final report, so it is suggested that a final report be submitted along with the final request for release of grant funds. Additional reports may be required by the Commission during and after the project period. Grant report forms are available in the Current Grantees section of the TICR website.
- **"Restricted" versus "Unrestricted" grant funds** – The Commission awards two types of funds that are derived from the securitization process that created our endowment (restricted and unrestricted). If an award is from "restricted" funds it will be noted in the Grant Agreement. Only qualifying capital expenses may be reimbursed from "restricted" funds.

Financial Electronic Data Interchange – The Commonwealth of Virginia's Financial Electronic Data Interchange (FEDI) program is a faster, lower cost, secure and efficient alternative to the traditional paper check method of payment. EDI electronically transfers funds from the Commonwealth's bank account to your organizations designated bank account. The Commonwealth encourages grantees to use this link to enroll for EDI and expedite the payment of funds. edi@doa.virginia.gov

VI. Reimbursement of Expenses

The Commission adopted Grant Disbursements Guidelines effective July 1, 2002. Grant funds will be provided to the grantee on a reimbursement basis, using the Payment Request Form (Accounting Voucher or "voucher"). Grant funds are provided as reimbursements for eligible project costs, as evidenced by invoices and other records that are submitted with the Payment Request Form.

Request for drawdown of funds should be submitted to the *Grants Program Administrator* for your region. In order to consider processing a payment, these items must be received in hard copy format:

1. Payment Request Form ("voucher"), original authorized signature required
2. Budget Drawdown Summary
3. Expense Documentation

The Payment Request Form is available on the Commission's web site (www.tic.virginia.gov). Information may be inserted into fields in the electronic version of this form, but the form must be signed by an authorized person and the original signed copy with all supporting documentation submitted to the assigned *Grants Program Administrator* for processing. Please be sure to include the grant number on the Payment Request Form. This number can be found in the top, right-hand box of the Grant Agreement.

Requests should only be submitted on a quarterly basis. In extenuating circumstances, such as periods of intense construction activity, reimbursement may be requested more frequently (i.e. monthly).

Requests should include an attached spreadsheet showing the budget for the approved award (using the budget line items that were included in the approved project budget), the amount previously drawn from each budget line in past reimbursement requests, and the amount of funds that are currently being requested from each budget line. A template Budget Drawdown summary is available or this same information may be provided in an alternate format. Use of non-Commission funds (matching funds) should also be tracked on the spreadsheet.

Grantees can refer to the following, Section VII. Acceptable Expense Documentation to determine what type of expense documentation will be acceptable; and to Section IX. Matching Funds for the records related to match expenditures that are expected to be submitted with each reimbursement request.

All grant payment requests should be mailed to the respective *Grants Program Administrator*:

Sarah Capps
Southside Grants Program Administrator
615-A South Main Street
Chatham, VA 24531
Phone: 434-432-7203
sarah.capps@tic.virginia.gov

Sara Williams
Southwest Grants Program Administrator
P.O. Box 1987
Abingdon, VA 24212
Phone: 276-619-4325
sara.williams@tic.virginia.gov

VII. Acceptable Expense Documentation

- ***Invoices or receipts*** - The most common form of expense documentation is the invoice or receipt provided by the vendor describing the goods and services purchased by the grantee and including cost details and date of purchase. A packing slip with evidence of payment will be accepted, if an invoice is not available.
- ***Credit card statement plus receipts*** - When purchases are made using a credit card, the credit card statement and the related receipts must be provided.
- ***Payroll accounting*** - Either check stubs or a payroll register / report showing name of employee, pay period, salary and benefits is required for personnel expenditures. General information on work profile and/or job responsibilities for a position may be requested.

Employees Working on Multiple Activities or Cost Objectives – For employees working only a portion of their time on the TICR supported grant activity, a distribution of the employee's salaries or wages must be supported by a personnel activity report or equivalent documentation. This documentation is expected to meet these standards:

- (a) Must reflect an after-the-fact distribution of the actual activity of the employee.
 - (b) Must account for the total activity for which each employee is compensated.
 - (c) Must be prepared at least monthly and coincide with one or more identified pay periods.
 - (d) Must be signed by the employee.
- ***Land acquisition*** - Closing statements with signatures of the buyer and seller; and a record of the deed being transferred and recorded following the closing of purchase are required when grant funds are requested for costs associated with land acquisition.
 - ***Scholarships and other support for education and workforce training*** – The Commission's funding for community college financial aid and GED attainment is limited to assisting Tobacco region residents only. Other specific support for workforce training is limited to assisting Tobacco region residents and employees. The Commission expects this support to be "last-dollar" after exhausting all other available financial aid resources, to be focused on tuition and mandatory fees, and for study that will lead to the granting of nationally-recognized, portable and stackable academic or workforce credentials.

Community College Scholarships - The obligation and transaction record for the scholarships from the community college system's People Soft software; as well as a roster of scholarship recipients including name, address, and scholarship award amount is required for all scholarship reimbursement requests. A record of credit hours may be requested. For programs targeted to specific fields of study, colleges should be able to provide a listing that identifies the declared field of study for each recipient as evidence of eligibility.

GED Attainment / Workforce Training - Documentation for reimbursement of these types of scholarship payments should include:

- A complete listing of all participants and the amount(s) funded for each.
- The date of the scholarship covered (e.g. a specific semester), and a description of the activity funded should also be provided.

Additional documentation may be requested depending on the specific nature of the program. Please consult with your Regional Grants Administrator to determine what supplemental documentation is necessary.

- ***Sub-Contracts*** – *While this typically applies to sub-contracts between Institutions of Higher Education, the requirements could apply to any sub-contract situation involving the transfer or pass through of Commission funds to other organizations.* – Expense documentation criteria for what is required to account for sub-contracts made between partnering educational institutions for course development and/or delivery include:
 - Executed contract between parties outlining the partnership scope, detailed budget and deliverable(s).
 - Expenditure report for subcontract detailing date, vendor name, payment amount, description of goods or services purchased, and corresponding budget line item (i.e. spreadsheet with itemized detail of what is being funded/purchased). If the subcontract charges include salary expenses, then the supporting documentation must include the staff name, position, time period, and amount.
 - The actual invoices are not required, but they are subject to review by TICR staff, if requested.
- ***Loans*** - Generally loan payments and debt retirement are not eligible activities under the project grants; however, there are certain types of projects where they may be supported.

Revolving Loan Programs - Reimbursement requests for revolving loans must include a copy of the approved loan application with closing statements (sensitive information may be marked "confidential"). Full funding portfolio may be requested.

VIII. Specific Type of Expenses Not Eligible for Reimbursement

In addition to information provided in Section IV. General Non-Eligible Uses of Funds, the following specific type of expenditures are considered not appropriate or not a priority for the use of public grant funds and will not be reimbursed under the Commission's project grants. If a project cost falls into one of the categories detailed below and is considered a critical cost to the direct implementation of the approved project, then grantees should work with the regional *Grants Program Administrator* to determine if it can be considered for reimbursement. In some cases these project expenses may be considered as eligible for inclusion in the required matching funds, but should be discussed with TICR Grants Staff.

PERSONNEL EXPENSES

- ***Project Management and Administration*** – Costs for management and administration of a grant project are not allowed from TICR grant funds but may be considered part of the grantee's contributed matching funds.
- ***Personnel with Primary Work Location Outside the Tobacco Region*** – Grant funds may not be used to pay salaries or wages for employees of grantee organization (or private sector beneficiaries under the R&D program) whose primary work location is outside of the region (except as permitted under the TICR enabling legislation).
- ***Bonuses*** – Sign on bonuses, incentive bonuses, and other types of personnel bonuses paid to employees of the grantee organization, a private sector company, grant beneficiary, or consultants are the responsibility of the grantee and will not be reimbursed under grants.

TRAVEL RELATED EXPENSES

Grantees are expected to limit travel costs to within the limits of the state travel policy. Any consideration beyond these limits must be approved in advance. The Commonwealth of Virginia's Policy & Procedures for State Travel Regulations (CAPP Topic No. 20335) is published on the internet, http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20335.pdf.

Other limitations on travel costs that are not eligible for reimbursement under the grants, even if they are consistent with, and those that are beyond the limits of, the State Travel Regulations are detailed below.

- ***Travel to Commission Meetings*** – Travel costs for applicants, grantees, consultants, or beneficiaries for getting to/from Tobacco Commission meetings will not be reimbursed.
- ***Business Meals / Alcohol*** – Business meal expenses for groups are not considered a priority use of grant funds and are generally not allowed. Purchases of alcoholic beverages will not be reimbursed. *Reimbursement of meals associated with overnight travel, up to the state per diem, for personnel or activities supported under a grant and as detailed in the approved project budget will be considered for reimbursement.*
- ***Mileage Rate*** -- Mileage requests in excess of the State Travel Regulations or IRS Standard Rate will not be eligible for reimbursement.

State Agencies - State agencies must follow mileage reimbursement guidelines detailed in the State Travel Regulations. This includes an analysis of the most cost-effective travel option. When a traveler chooses to drive a personal vehicle over a more cost-effective option of driving a fleet vehicle or using a rental under the state contract with Enterprise Rent-A-Car, the mileage reimbursement is limited to the lower fleet mileage rate.

Non-State Organizations - Organizations other than state agencies are limited to mileage reimbursements up to the Current IRS Standard Mileage Rate for Business travel.

- ***Out-of-State Travel*** – International and out-of-state travel can be very expensive and unless justified as an essential project costs and approved in advance by TICR staff, such costs are typically not considered critical and will not be reimbursed.

- ***Housing Allowances, Moving Expenses, Travel to Tobacco Region*** -- Housing allowances for grantee or private beneficiary personnel or consultants working in the region will not be reimbursed. Moving expenses will not be reimbursed. Travel costs for getting to the tobacco region incurred by private sector companies for employees, such as those companies who are the beneficiary of a Research & Development grant award, will not be reimbursed.

OTHER EXPENSES, FEES, AND COSTS

- ***Giveaways*** – Any type of giveaway including promotional items and gift cards, whether for marketing purposes, program incentives, or for any other reason, are not allowed.
- ***Development Activities / Fundraising*** - Personnel and other direct costs for organizational development activities including fund-raising, development of proposals for funding and fund-raising materials, and costs for writing and securing other grant funds are ineligible.
- ***Late Fees & Payment Penalties*** – Late fees on billing statements, interest on credit card bills, and other penalties associated with late payments will not be reimbursed. It is the grantees' responsibility to remove late fees and penalties from amounts requested for reimbursement.
- ***Membership Fees / Dues*** – Costs for individual or organizational membership fees or dues to professional organizations, associations, chambers of commerce, and other similar groups are not considered an eligible expense. *An allowance for this type expense may be considered when there is a direct correlation to outcomes and deliverables of a grant, such as when an association fee results in reduced training cost or certifications for a group of participants, or when it considered a critical start-up cost for a new organization.*
- ***Personal education expenses*** – Commission funds to assist with personal education expenses may only be applied for last dollar tuition and required fees, within the guidelines of the approved scholarship program(s). Other expenses such as transportation costs to school, books, childcare, computers, tools, uniforms, and incentive payments to students are not eligible for reimbursement.
- ***Sponsorship*** - Conference and event sponsorships, in the form of donations to organizations for a specific event or opportunity, will not be reimbursed under the project grants.
- ***Indirect Costs*** – Indirect costs are not reimbursed. Indirect costs are costs incurred for a common or joint purpose that supports one or more cost objective (contract, award, project or program). Indirect costs cannot be directly identified with a specific project even though they may be assigned to a specific project through a cost accounting system; whereas direct costs are those expenditures that can be identified specifically to a single cost objective.

Note: G&A Rate – Under the TICR R&D grant program, general management and administrative costs by private beneficiaries including expenses for management, planning, accounting, legal, and marketing, may be considered for reimbursement for up to the 10% of the grant amount based on the expressed limit identified by the Commission. G&A expenses will only be considered when the entire cost center or business unit associated with the charges is located within the tobacco region footprint and where the costs are directly related to the TICR funded project.

IX. Matching Funds

All Commission grant programs have minimum match requirements. All matching funds required to complete the approved project are the responsibility of the applicant. *Total match contributions for a project are expected to be reported by the grantee in the Annual and Final Reports for the project.*

These minimum match amounts or percentages, which are identified in the guidelines for each program or specified in a condition on the grant award, must be documented and approved by staff at the time of disbursement requests.

The **Research & Development, Special Projects - Health Care**, and **Education** grant programs all require *at least* one-to-one match on Commission funding (i.e. at least 50% of the Total Project Costs to be provided from non-TICR funds).

The **Agribusiness, Economic Development**, and **Special Projects (Non-Health Care and Mega-Site)** grant programs require at least 10% match on Total Project Costs (i.e. at least 10% of the Total Project Costs to be provided from non-TICR funds).

Satisfying Match Requirement - Match requirements may be satisfied through evidence of allowable costs incurred by the grantee, project partners, or private beneficiary (such as with cost-share payments under Agribusiness grants, or private investments under Research & Development awards) from other grants or cash contributions toward the approved project budget. Other Commission grants or incentives shall *not* be counted toward satisfying match.

While generally not preferred for meeting minimum match requirements, any consideration for in-kind contributions must be discussed and approved in advance by the assigned area *Grants Program Administrator*.

Only Matched Once - Neither costs nor grantee or third party in-kind contributions may count towards satisfying a matching requirement of a Commission grant agreement, if they have been or will be counted towards satisfying a matching requirement of another grant agreement.

Documentation Requirements - Grantees should be prepared to provide evidence of the availability of match at the request of Commission staff. Guidelines for documenting the minimum match requirements for grant awards are detailed below.

- ***Calculating minimum match amount*** - The minimum match amount is calculated based on the Commission grant award amount representing the difference of 100% and the required match percentage. For example, for a \$225,000 grant award with a 10% match requirement:

$$\begin{aligned} \$225,000 \text{ Grant} / 0.90 &= \$250,000 \text{ Total TICR Grant} \ominus \text{Required Match minus } \$225,000 \text{ Grant} \\ &= \$25,000 \text{ (10\% Required Match)} \end{aligned}$$

- ***Timing of match contributions*** - Match documentation is expected to be submitted with each payment request covering the same time period. With most projects the minimum match amount must be documented at the time of each disbursement request. Where this is not feasible based on the source(s) and specific use of matching funds, and where staff has agreed to an alternate schedule, the minimum match expenditures must be documented prior to submission of a final disbursement request and at least by the close of the grant project period.

- **Detailed accounting report** - A detailed accounting report including vendor name, payment date, payment amount, invoice and/or purchase order number, and a description (if available) will be accepted in lieu of submission of the actual expense documentation. However, Commission staff reserves the right to request any additional details on match expenditures, as needed to determine that match expenditures are reasonable and appropriate.

In cases where in kind project costs have been approved as part of the match requirement, grantees must be prepared to provide a justification of how in kind costs have been calculated and documentation on how they have been incurred. A description of the donated goods and services including details on the valuation and method must be provided in the project budget.

- **Valuation of Third Party Donations** – Supply contributions are to be valued at no more than the market value at the time of donation. Use of loaned equipment or space in a building will be valued at no more than the fair market rental rate. Records must show how the value placed on the third party contribution was derived and may require an independent appraisal.
- **Valuation of Donated Services** – Similar to other personnel expenditures grantees must be able to provide documentation of amount of time spent by each individual, during what period, value of time, and details on the work performed.
 - (1) *Volunteer services* – Unpaid professional services provided to a Grantee by individuals will be valued at no more than rates consistent with those ordinarily paid for similar work in the grantee's organization; and if none, then consistent with those ordinarily paid by other employees for similar work in the same labor market.
 - (2) *Employees of other organizations* – When an employee other than a grantee furnishes free of charge the services of an employee in the employee's normal line of work, the services may be valued at employee's regular rate of pay exclusive of employee's fringe benefits and overhead costs.

X. Advance of Funds

The Commission adopted Grant Guidelines for Advance of Funds in June, 2002 which is available in the Current Grantees section of the Commission website. In order to avoid undue hardship and in order to meet immediate cash flow needs, the Commission, **in its sole discretion**, may advance funds upon the written request of Grant Recipients. Authorization to make all determination and payments under these guidelines is delegated to the *Executive Director*.

Alternatives to providing Advances will first be given consideration. While the standard reimbursement schedule for grant awards is quarterly, consideration may be given to allow for submission of more frequent payment requests in lieu of issuance of an Advance. This consideration is given particularly during periods when projects have high cash flow needs such as construction that is billed monthly.

Advances are generally limited to up to 25% of the grant award. It is at the Commission's sole discretion to determine if undue hardship exists in requiring Reimbursement for expenditures verses Advance of funds. When an Advance is issued, future payment requests and the final 10% of the grant award, may be held until all Advanced funds are fully documented.

REASONS TO MAKE AN ADVANCE REQUEST

- **Pre-payment** - If a contract payment schedule requires issuance of a payment prior to the delivery of goods/services, then that portion of the TICR payment will be recorded and treated as an Advance. The Advance will be considered fully documented following receiving or “acceptance” by the grantee and submission of the final invoice showing full delivery /completion.
- **Operating Expenses** –After an initial operating advance, the grantee may request reimbursement of additional grant funds on a quarterly basis, essentially resulting in replenishment of the Advance. Advances for quarterly operating expenses will be documented prior to the end of the project.
- **Single Purpose Purchases** -- Advances will be considered for single purpose purchases such as equipment acquisition; and must be documented once the purchase is delivered.
- **Large Capital Expenses** - Special consideration may be made to allow Advances greater than 25% for large capital purchases such as real estate, major equipment fabrication, etc. Grant staff can provide guidance regarding qualifications for this exception.

DOCUMENTATION

- **Cash Flow** - Grantees should be prepared to document their inability to cash flow expenses without the requested Advance; this includes sharing their operating budget or financial statements.
- **Land Acquisition** - Advances for land acquisition require a ratified contract for the land purchase with a closing date no later than 90 days from the Advance request. If the Advance includes closing costs a draft settlement statement should be provided.
- **Major Equipment Purchases** - Advances for major equipment purchases, where an invoice of the initial purchase installment is not available, requires a copy of the executed purchase contract with the payment terms and schedule clearly defined.

XI. Changes to Project Scope or Budget

Grant funds are provided for the specific use(s) proposed in the application and as approved by the Commission. Changes in the allocation of grant funds from that of the approved project budget and changes in the scope of the project must be evaluated based on consistency with the intent of the original approved project and/or the program review process that resulted in the grant award.

The Commission is only responsible for reimbursement for eligible project expenses that are within the approved project budget. Changes to use of funds must be requested in writing.

Budget revision requests received after expenses have been incurred will not be considered and are the responsibility of the grantee. Only expenses that occur after the date of the original request for budget adjustments will be eligible for reimbursement under a revised project scope that is approved in writing.

Administrative Procedure

- Grantees who anticipate a change in the use of funds must contact the Grant Program Administrator before spending funds on any use or activity that is different from what was originally approved. Grantees must propose any change(s) in writing, and staff must provide written approval before considering a request for reimbursement for revised uses.
- Aggregate shifts of up to 10% of the grant amount, between budget categories or line items per the approved project budget and clearly within the approved scope of the project, can be approved by the regional *Grants Program Administrator*.
- Aggregate shifts greater than 10% of the grant amount or other significant changes to the scope of the project will require a formal letter of approval by the *Executive Director* or the Commission depending on the extent of the changes. Grantees must make a written request for approval of a revised budget detailing the change in use of the funds, clearly identifying the redistribution of project costs from the original approved budget to the revised use, and with an explanation of how this change affects the deliverables and outcomes of the project.
- The *Executive Director*, at his or her discretion, will determine when Committee consideration is necessary due to the change in scope.

XII. Grant Period and Extension Requests

Unless otherwise agreed to by the Commission, grant funds are available for a three year project period following the date the Commission approves the award. Consideration for an extension is at the sole discretion of the Commission. Any consideration will only be made when there are circumstances beyond the control of the Grantee and when appropriate justification is provided.

Grant extensions **may** be considered on a case-by-case basis based on the following conditions:

- Unforeseeable severe weather conditions preventing project implementation as scheduled;
- Unexpected staff turnover during the project period that requires new personnel to be hired or trained in order to meet project deliverables; and
- Unforeseeable delays in obtaining necessary easements, legal documents, construction bids, permits, and delays due to design constraints.

Conditions that **do not** warrant a grant agreement extension include but are not limited to:

- Grantees who have failed to make significant progress acceptable to the Commission.
- Project delays or failure to complete project deliverables in accordance with the project schedule resulting from or due to lack of attention.
- Project is not expected to spend all available grant funding and an extension is requested to expend funding balance on current or new activities.

Administrative Procedure

It is the grantees responsibility to request an extension at least 30 days prior to the agreement expiration date. If no request is received, the grant will be closed and the balance de-obligated.

For consideration of an extension the Grantee must provide a written request to the Grants Program Administrator that specifies:

- 1) Reason for the delay in completing the project activities.
- 2) A general update on the work completed to date and activities remaining.
- 3) Necessary timeline for completing the work that remains.

A written approval for the extension may be issued if the request is deemed reasonable and necessary. Approvals for fourth year extension are made through a letter of approval signed by the Commission's *Executive Director*.

Requests for extensions beyond a fourth year exceed the staff's authority and must be presented to the Commission for consideration. Such requests should be directed to the Commission's *Executive Director* and copied to the *Grants Program Administrator*.

XII. Asset Ownership and Tracking

Ownership – All assets purchased with grant funds should be owned by an eligible applicant. In accepting the Grant, the Grantee assigns to the Commission a security interest in all property purchased with the Grant. Grantee will execute, provide and sign all documents necessary to establish and/or perfect Commission's security interest in such property. None of the assets or property acquired, constructed, improved, equipped, and/or furnished as part of the Project shall be leased, sold, exchanged, disposed of, hypothecated, mortgaged or encumbered without the prior written approval of the *Executive Director*. Section 10 of the Letter of Agreement contains additional language regarding asset ownership and disposition.

Asset Tracking – Inventory List - Grantees should be prepared to provide Asset Inventory Lists for all equipment and assets for which grant funds were invested. The Commission is primarily interested in the tracking of assets valued at \$5,000 or more, and with at least a 3-year useful life; as well as assets purchased in quantities greater than one with an aggregate value of \$5,000 or more. For example, if fifteen (15) microscopes or laptops were purchased for \$1,000 each then the aggregate value is \$15,000, and these need to be included on the Asset Inventory List.

Disposition & Clawback - Until there is written permission granted from the Commission to alter the ownership of assets, the Commission's security interest and the claw back provision of the original Grant Agreement remain in effect (the depreciation schedule for an asset does not diminish the Commission's interest). A written request should include a description of the intended disposition (e.g. sale, scrap, donation), to whom, and for what purpose. This can be submitted to the Grants Program Administrator, who will then seek a written determination from the Commission.

XIV. Outcome Reporting

Grant Recipients will be expected to provide to the Commission data on actual outcomes accomplished during the project period and for a period beyond. The Commission is currently designing and testing outcome and performance reporting methodologies that align with the anticipated outcomes provided in your grant application. Final design of those methodologies is not yet complete, and Grant Recipients will be contacted by the Commission's Performance Analyst staff at periodic future dates to be determined.

XV. Records Retention

As stated in Commission grant agreements, all records pertaining to a TICR grant should be retained by the Grantee for three years after the closing of the grant period.